

day. It is simply unconscionable and it ought to be illegal.

The death tax is really a tax on the American dream. Americans work hard their whole lives, they save, they invest. They build farms and shops and factories, hoping to pass along their dream to their families once they are gone, but after years of paying payroll taxes and income taxes and sales taxes and property taxes, many businesses do not make it, and those that do, the government can step in and take over half of what someone worked their whole life to build.

Mr. Speaker, I grew up working on a farm. I represent a large portion of rural Texas, and rural Texas is a great place to live, but it can on occasion be a challenge to be a good place to earn a living. I know firsthand that farmers and ranchers and small business owners have to work extremely hard to provide for their families.

A while back ago, I heard from a constituent, a rancher in Leon County. He told me how he had worked hard for over 30 years to build a cattle ranch. He almost lost it once or twice through draught and low beef prices, but he persevered, and with his family by his side, he made it into a great success. His greatest dream was to leave this ranch to his son and his daughter who had worked alongside of him, but with sadness in his voice, he told me by the time the government takes its share, there is just not enough to go around.

Many of my colleagues like to talk about tax fairness, but Mr. Speaker, is it fair to take this man's ranch away from him? Is it fair that Americans are being taxed twice on the same income? Is it fair that after a family member is gone that his loved ones are presented with a tax bill? Is it fair that the Federal Government can automatically inherit 55 percent of the family farm, business or nest egg? Aside from the fact that the death tax is inherently unfair, what about its impact on our economy?

Mr. Speaker, while small businesses create two out of every three new jobs in our Nation, death taxes can kill those small businesses and the jobs that they represent. In fact, death taxes are the leading cause of dissolution for small businesses in America.

According to the Center for the Study of Taxation, 70 percent of businesses never make it past the first generation because of death taxes. Eighty-seven percent do not make it beyond the third generation.

How do death taxes kill American jobs? With the death of a small business owner, many employees often lose their jobs when the relatives of the deceased are forced to liquidate the business just to pay the taxes.

□ 1800

One-third of small businesses are sold or liquidated to pay death taxes, and half of those businesses are forced to eliminate 30 or more jobs. Furthermore, small and mid-sized manufactur-

ers spend \$52,000, on average, just for death tax planning. Now, \$52,000, that is a good paycheck that could be going home to somebody back in the fifth district of Texas.

On the other hand, Mr. Speaker, repealing the death tax can create 200,000 extra jobs a year helping more Americans get back to work, giving them a paycheck instead of an unemployment check, and giving yet another boost to our recovering economy. According to the National Federation of Independent Businesses, nearly 60 percent of business owners say they would add jobs in the near future if the death taxes were eliminated.

And what does our society get for the death tax? Nothing. According to the Joint Economic Committee, the cost of compliance with the death tax to the economy is roughly equivalent to the tax shield. All of those family businesses liquidated, all of those jobs lost, all of those family farms sold and all of those nest eggs cut in half. For what?

Mr. Speaker, I have heard those on the other side of the aisle use the same old tired class warfare rhetoric again and again in dealing with the death tax issue. The politics of envy. But when something is wrong, Mr. Speaker, it is simply wrong; and it does not matter if the death tax only affected one person in America. Taxing anyone twice for the same work, for the same income, for the same savings is unconscionable; and it ought to be illegal.

Mr. Speaker, I urge all my colleagues to support the permanent repeal of the death tax. It is time to end the death tax so we can resurrect the American Dream.

The SPEAKER pro tempore (Mr. FRANKS of Arizona). Under a previous order of the House, the gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes.

(Mr. STENHOLM addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

FREE SARAH SAGA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. PENCE) is recognized for 5 minutes.

Mr. PENCE. Mr. Speaker, the Bible tells us that pure religion is this: "To look after widows and orphans in their distress." And I rise tonight, preparing to catch up with my wife and our three small children for dinner, feeling compelled in my heart to stand up on behalf of a young American woman and her two small children who at this very hour are held up in the U.S. consulate in Jeddah in Saudi Arabia.

I rise to tell the story of Sarah Saga and her two little girls, this American woman, and to demand State Department action. As a member of the Committee on International Relations, I am obviously fascinated to see the House of Saud and the Government of

Saudi Arabia engaging in a public relations campaign here in America. In markets across the country, our television screens are being flooded with a message that Saudi Arabia is a "modern nation"; that America and Saudi Arabia have "shared values."

Prince Bandar Bin Sultan, the Saudi Arabia Ambassador to the United States, is part of a public relations offensive to change the image of the Saudi Government. But I would offer today, as is documented in today's editorial page of the Wall Street Journal, we do not need words, Mr. Speaker; we need actions by the House of Saud.

Sarah Saga's story began long ago. She found herself trapped in Saudi Arabia at the age of 6 when her Saudi father defied a U.S. custody agreement by simply refusing to return her to America after she visited her father in 1985. There she has languished ever since. Yet she never gave up on America or her American mom. This 6-year-old, now grown into a 23-year-old mother of two, used a computer to track her long-lost mother via the Internet and to tell her of her hopes for escape. She has made her way to the U.S. consulate in Jeddah, and there she languishes. Absent aggressive State Department actions and negotiations, there she will languish still.

Sadly, hers is just another story of another American woman who is trapped in Saudi Arabia, told that she is able to leave so long as she leaves her children behind. That is outrageous and utterly unacceptable. Prince Bandar told the Wall Street Journal back in September that it was "absolutely not true" that any American women were held against their will in Saudi Arabia. But the story of Sarah Saga tells otherwise.

So I rise tonight not to speak to the House of Saud, but rather to speak to the State Department of the United States of America and to the Bush administration and to Secretary of State Powell. As we negotiate a road map for peace in the Middle East, let us speak plainly to our allies in Saudi Arabia about the minimal expectations we have about American citizens and their progeny in their midst.

Sarah Saga and her two small children must be permitted to leave Saudi Arabia and make that long, at last, homecoming, delayed 17 years, to be in the home of her birth, the United States of America.

DESTRUCTION OF MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, the good news is that seniors are living longer. President Lyndon Baines Johnson, a Texan, signed the 1965 legislation entitled Medicare, which opened the doors of life to seniors of America, the same senior citizens who prior to World War II were